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Project Description
DUSA's Tony M Mine Phase 2 Mine Development
Prepared January 10, 2008

In Phase 2 of the Tony M uranium mine, Denison Mines (USA) Corp. (DUSA) plans to extend mining north from Phase 1 of the mine. The area is shown in relation to the Phase 1 operations on the attached "Project Area Map". The mine is located in Shootaring Canyon, north of the town of Ticaboo, Utah, and is located on BLM land. Phase 2 is associated with the following BLM resource claims: B.F. 129-146, 207-220, 295-300; Star 11 and 12; TIC 31-TIC 32B; BULL 301, 303, 305, 673, 674, 675.

Site History

DUSA received permits for Phase 1 of the Tony M Mine in September 2007 and began mining at that time.

Current Conditions

DUSA has purchased the claims associated with the Phase 2 site. The only infrastructure existing in the Phase 2 area is existing county maintained roads and historic drill roads. Biological, cultural, and paleontological surveys of the proposed disturbed areas in Phase 2 have been completed with the exception of minor changes in access roads and vent holes 14 and 15. No significant resources or impacts were determined from the studies and potential avoidance measures were recommended should resources be encountered during construction.

Mining Plan

DUSA plans to permit the Phase 2 portion of the site as a large mine. The components of this phase are shown on the attached map "Phase 2 with 10-foot contours". A mine shaft would be constructed for ore production and to remove waste rock. As much waste rock as possible will be kept underground during mining activities and waste rock will be used to backfill vent holes and the shaft area during reclamation of the mine site. Six vent holes would be constructed on existing exploration drill pad sites throughout the area. Access to the shaft and vent holes would be on historic exploration roads, which would need to be improved. The area of disturbance would be approximately 30.98 acres.

Facilities at the mine shaft are shown on the attached map "Mine Shaft Area". Facilities at the shaft area would include shaft, hoist house with limited maintenance facilities, an ore stockpile area, a waste rock area, a truck turn around, a powder magazine, two generators, four compressors, a refueling station, a laydown area, one mobile unit for offices, a parking area, a water well, and a septic tank and leach field for grey water and sewage.

The ore stockpile will be built on the facilities pad. There will be approximately 15,000 tons of storage capacity on the pad. This is approximately one month of ore production

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for Phase 2; however, it is unlikely that ore will be stored in the area for more than 2 days during normal operations.

Ore will be mined at a rate of approximately 350 tons per day. The mine life will be approximately 25 years. Expansion that would impact the surface disturbance would be dependent on the acquisition or discovery of ore reserves beyond the current geographical extent of the known ore body.

Approximately 150 to 200 employees are planned for mining of Phase 2. Of these, 25 will be salaried professional and managerial staff located at the mill or townsite offices. The onsite staff of 125 represents three shifts and site maintenance. It is likely that these employees will reside in Ticaboo.

DUSA plans to process ore at the White Mesa Mill in Blanding, Utah. DUSA hopes to have the needed permits and approvals for mining Phase 2 of the Tony M mine by November 2008.

Emissions and Discharges

Groundwater and Surface Water

DUSA is currently dewatering the mine from Vent Hole 4 and disposing of the mine water in the evaporation pond, and this will continue during Phase 2. The current evaporation pond was an existing structure that DUSA upgraded in Phase 1 operations. The pond will be expanded in Phase 2 so that it will hold water from dewatering during Phase 2. The water rights associated with the mining operation are currently owned by DUSA and included in the Phase 1 Plan of Operations.

A groundwater well will be completed in the Navajo Sandstone within the shaft area. This water will be used for the sanitary facilities and serviced by a small generator on an automated system. No water will be discharged to surface or ground from the mining operations. Water rights are available in the area for this well will be obtained from the Utah State Engineers Office and included in the Phase 2 Plan of Operations.

Surface water from the shaft facilities will be controlled using Bureau of Land Management approved Best Management Practices such as channels, berms, and temporary sedimentation basins. All surface water from the facility will be routed through temporary sedimentation basins to settle any solids that may have been picked up in the disturbed area. The sedimentation basins will be cleaned on a regular basis and sediment will be returned underground. Following mining activities; sediment will be sampled to ensure that no contaminant concentrations remain in the area following reclamation.

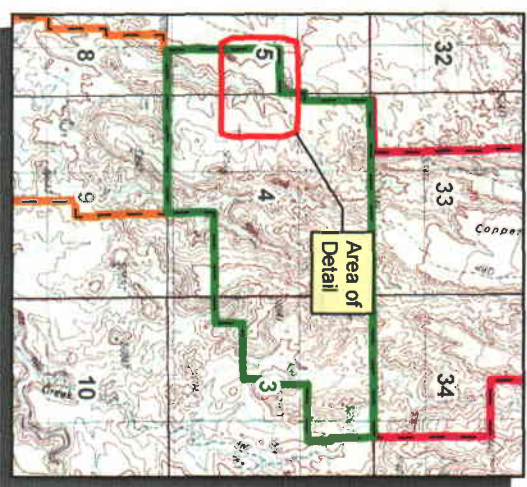
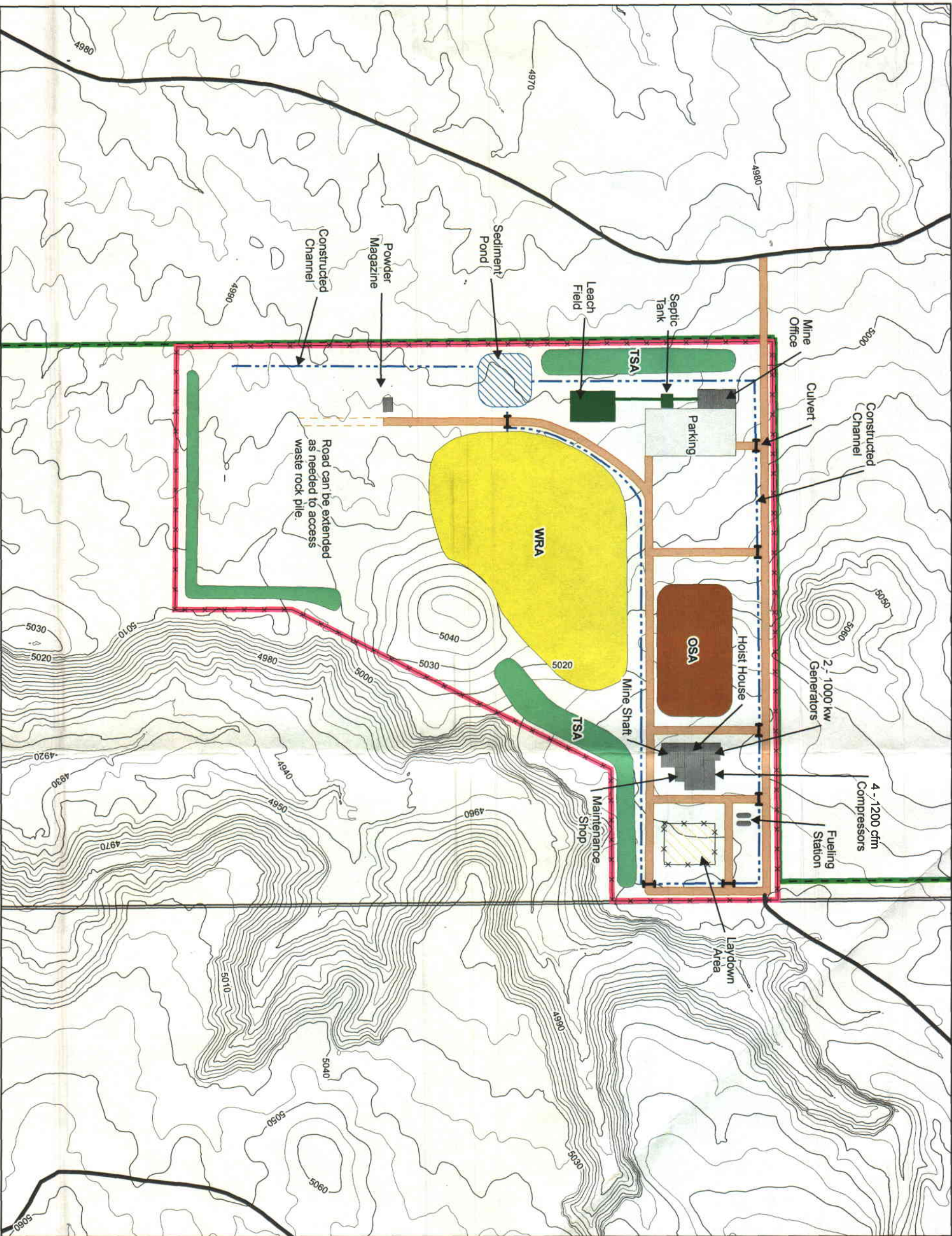
Air

One additional on-site generators will be required because there is no commercial electrical power to the area, and no current agreement with the power utility to run power lines to the site. Two generators of 1000 kw each will be required to run the shaft and

provide back-up power; however, one of these generators will come from the Phase 1 area. All appropriate permits and monitoring requirements will be obtained from the UDEQ prior to running of the generators.

Solid and hazardous Waste

DUSA plans to transport all solid or hazardous waste from surface operations to appropriately permitted off-site disposal facilities. DUSA plans to permit and construct a septic tank and sanitary leach field for sanitary wastes.



Legend

- Ore Stockpile Area (OSA)
- Waste Rock Area (WRA)
- Topsoil Stockpile Area (TSA)
- Sanitary Sewer
- Sediment Pond
- Laydown Area
- Building
- Parking
- Proposed Road
- Mine Shaft Facility Boundary
- Phase 2 Boundary
- Section Line
- Existing Road (Surveyed 01/2008)
- Groundsurface Contours
 - 10-foot
 - 5-foot

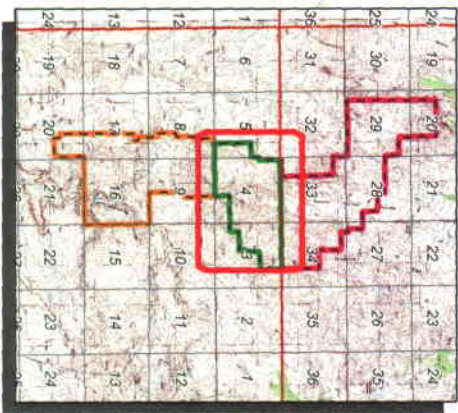
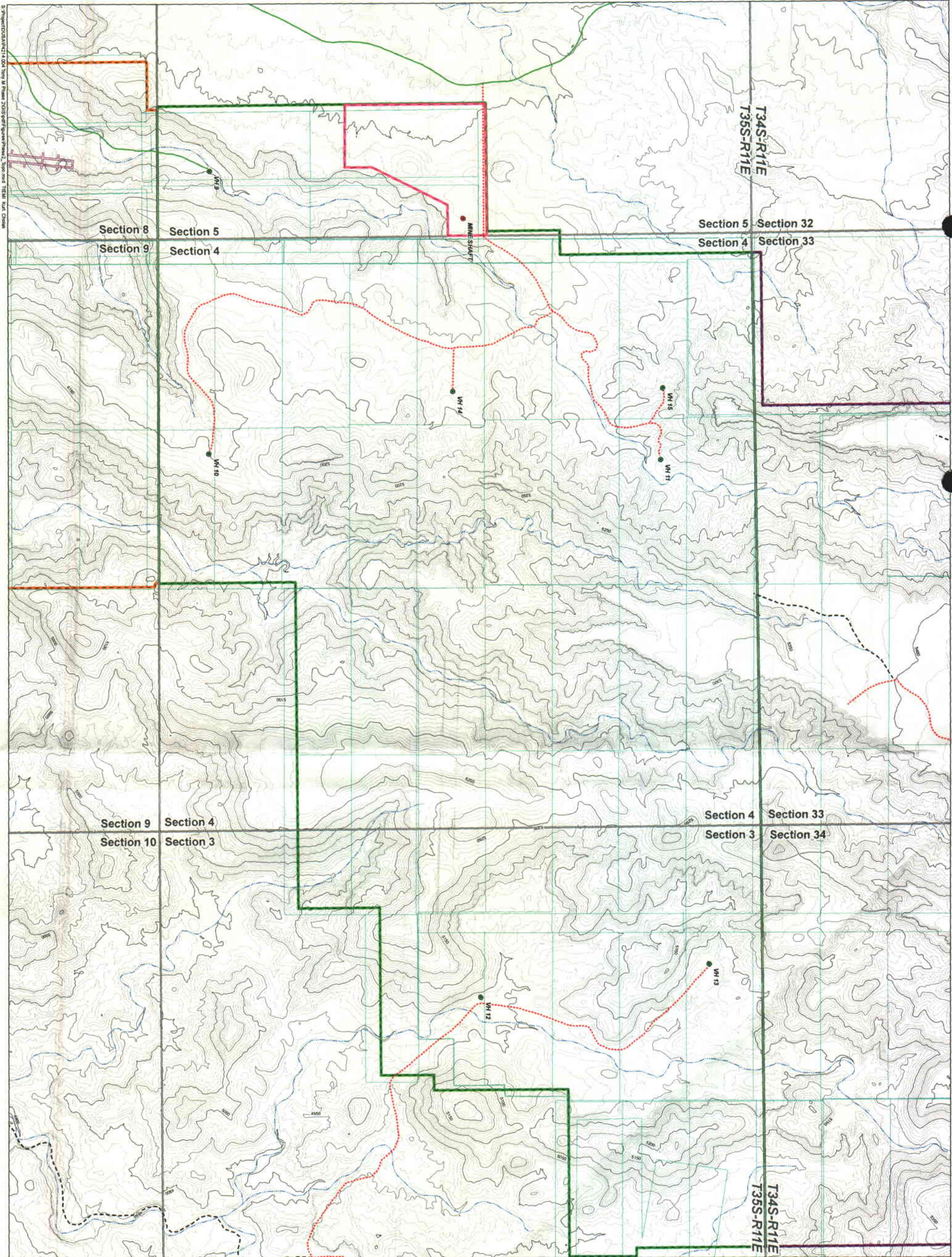


Project: TONY M MINE

County: Garfield State: Utah Location: T. 35S, R. 11E SEC. 5
DSCN: CW DRN: KDC Date: 01/22/2008 Revision: 1

MINE SHAFT AREA





Legend

- Proposed Mine Shaft
- Proposed Vent Hole
- Underground Workings
- Existing Road
- Historic Access Road
- Existing 4-Wheel Drive Road
- Ephemeral Drainage
- Henry Mountain Claims
- Section Line
- Disturbance Area
- Phase 1 Boundary
- Phase 2 Boundary
- Phase 3 Boundary

| Areas of Disturbance (acres) | |
|------------------------------|--------------|
| Vent Holes | 0.6 |
| Mine Shaft Area | 24.17 |
| Access Roads* | 6.36 |
| TOTAL | 31.13 |

*Historic access roads are 16,924 feet in length and are proposed to be 16 feet wide.



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County: Garfield

State: Utah

Location: T34-S5, R11 E

DSGN: TD

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Revision: 1

Phase 2 with 10-foot Contours

DEINSON MINES

TETRA TECH INC.